

Petitioner's Exhibit

Rec'd for Record Dec. 22 1977 At 11:28 o'clock A M Same Day Recorded & Ex'd per Charles C. Keller, CLU

No. 2

No. 31,390 Equity

INDIVIDUAL & CORPORATE

City and County Form — Construction

This Mortgage, made this 15th day of December, in the year one thousand, nine hundred and seventy-seven, between Morningside Associates, Inc., a body corporate of the

State of Maryland; Middletown Valley Homes, Inc., a body corporate of the State of MD.;
Zoltan Kuthy

of _____, in the State of Maryland, Mortgagor, and the
KEY FEDERAL SAVINGS AND LOAN ASSOCIATION, a body corporate, duly incorporated and existing under the laws of
the United States of America, Mortgagee:

WHEREAS, said Mortgagor, being a member of said body corporate, has received therefrom an advance of _____

One Hundred Ten Thousand One Hundred and no/100 ----- (\$110,100.00) ----- Dollars,

receipt of which is hereby acknowledged by the Mortgagor, ~~being part of the purchase money~~ for the property hereinafter
described; **is hereby pledged as security for said advance.**

DEC 22-77 A E23911 ****726.00
DEC 22-77 A E23910 ****13.00

AND WHEREAS, said Mortgagor has agreed to repay the said sum so advanced in installments, with interest at the rate

of 9 % per annum from the date hereof for the period of construction not to exceed 9 months and 0 days

payable commencing on the first day of January 1, 1978, and thereafter at the rate of 9 %

per annum in the manner following: **By the payment of interest only on the first day of each month**
on the total monies advanced; then by the payment of the whole

~~By the payment of principal sum one year from the date hereof. ----- Dollars,~~

~~commencing on the first day of _____, 19____, and continuing on the first day of each month there~~

~~after until the whole of said principal sum and interest shall be paid, which interest shall be computed by the calendar month,~~

~~and the said installment payments may be applied by the Mortgagee in the following order: (1) to the payment of interest;~~

~~and (2) towards the payment of the aforesaid principal sum;~~

The due execution of this mortgage having been a condition precedent to the granting of said advance;

NOW, THEREFORE, THIS MORTGAGE WITNESSETH, that in consideration of the premises, and of the sum of one
dollar, the said Mortgagor does grant, convey and assign unto the said Mortgagee, its successors and assigns, all the lot(s) of
ground situate and lying in Frederick County in said State, and described as follows:

BEING KNOWN AND DESIGNATED as Lots Nos. 13 and 16, as shown on a Plat entitled Picnic
Woods Estates, Section IV, Sheet 1 of 3, which plat is recorded among the Land Records
of Frederick County in Plat Book 11 folio 125.

BEING the same property which by deed of even date herewith and recorded or intended to
be recorded among the Land Records of Frederick County immediately prior hereto was
granted and conveyed by Fredstate Associates, unto Morningside Associates, Inc.

THE AFORESAID Middletown Valley Homes, Inc., a body corporate of the State of Maryland,
and Zoltan Kuthy join in the execution hereof to assure and guarantee to the Mortgagee
the prompt and faithful performance of the covenants, terms and conditions contained
herein, including but not limited to the obligation to repay the indebtedness contained
herein. Said liability of the within Co-Mortgagors/guarantors to be primary and not
secondary, to be joint and several. Said Mortgagee may proceed against said Co-Mortgagors/
guarantors without first proceeding against Mortgagor. Said guarantee to binding on
the heirs, assigns, and personal representatives of the Co-Mortgagors/guarantors.

13. —
726. —
739. —

Filed June 4, 1981.